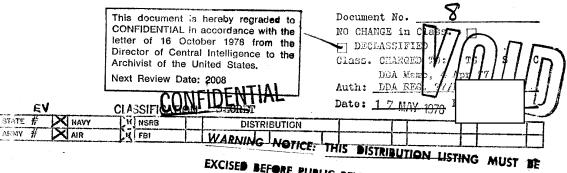
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·		USIA has stroped accepting long-term contracts for controlled firms, and for the past three weeks has contracts of this type to the Soviet Trade Delegat will replace USIA within the next six months. Alt preliminary negotiations with prospective customes tracts are new concluded directly between the Soviend the purchaser.	s been transferring tion, which allegedly though USIA has handled es, all long-term con-
	El	ectrical Industry	
	- 19 m m m m m m m m m m m m m m m m m m	All firms administered by USIA's Electrical Adminidirected to turn over their entire operating capit ceived from various USIA firms to the Soviet Milittime, USIA has refused to permit these firms to manners, and recently the Soviet director of Siemens strasse plant, refused to authorize the purchase of guns. Meanwhile USI/ has curtailed the "Chemie" a projects for the manufacture of direct and alternator shipment to the USSR and the Engerthetrasse placemplete its present order by the end of 1949.*	tal and payments re- tary Bank. At the same take even minimal invest



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## MSIA Dismantling Operations

 $k_{\rm c}$ . Recently, the Soviets started to remove precision tools, spare parts, light machinery and some electrical fixtures from Schwechat Flugmotorenworke and Ostmark-Werke G.m.b.H. in Vienna X, two firms which manufactured aircraft motors and parts during the war. During 1945-1946, the Soviets shipped a considerable amount of machinery from these plants to the Soviet Union, leaving only that equipment needed by USIA for the manufacture of agricultural machinery, pails and wheelbarrows. So far, recent dismantling operations have been on a limited scale, and plant employees who are mombers of Socialist trade unions believe the Soviets will postpone complete dismantling until after the Austrian parliamentary elections in the fall in order to avoid public criticism detrimental to Austrian Communist Party candidates. According to Socialist trade union officials, the Soviets will do most of the dismantling work at night, employ Communist laborers or Soviet troops, and use Soviet military vehicles to remove machinery from these plants. These same officials allegedly have stated their intention to form special factory guard units to scrutinize Soviet dismantling operations and to enlist the aid of local police and fire departments in raising a protest.

## Other USIA developments

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5.	Another indication of Soviet preparations to release some USIA property is found in recent developments at the Esterhazy estates near Marz, Burgenland. This season's crops at these estates are not being harvested and the Soviets seem to have abandoned all agricultural machinery held at these estates. Meanwhile, USIA is reported to have leased a large section of the Esterhazy estates to small landowners for advance cash payments. "Teerag" A.G., Vienna III, Marxergasse 25, USIA-controlled construction firm, has suddenly cancelled all projects for the construction of roads and unloading ramps at various USIA installations.

